

is made."⁵⁶ "There is no evidence that subscribers to 800 MHz SMR service in the Gulf of Mexico are currently, or will be in the future, under served either in terms of availability or quality of offerings."⁵⁷ AMTA further argues that 900 MHz SMR MTA licensees have already paid for the right to serve the Gulf and that current operating rules for 900 MHz SMR contemplate these licensees serving the Gulf.⁵⁸ PageNet suggests that before the Commission licenses paging, SMR and narrowband PCS in the Gulf, then it must have a set of rules in place to ensure that water-based operations do not interfere with land-based operations.⁵⁹ PageNet further states that "...demand for water-based wireless services in the Gulf of Mexico is very limited."⁶⁰

31. With respect to the licensing of broadband PCS spectrum in the Gulf, those commenting all agreed that the Commission should refrain from such action. Many of these commenters argued that land-based PCS licensees are entitled to serve part of the Gulf since their licensed territories are MTAs, which are based on county lines and county lines extend into the Gulf.⁶¹ SOSCO

⁵⁶ CICS comments at 3.

⁵⁷ See AMTA comments at 7.

⁵⁸ See Id. at 4-6.

⁵⁹ See PageNet comments at 3-8.

⁶⁰ Id. at 3.

⁶¹ See comments of Sprint Spectrum, Aerial Communications, Western PCS and Primeco. Benbow, in its comments made the same argument against licensing narrowband PCS in the Gulf.

expressed concern that licensing broadband PCS would negatively impact on the extensive microwave infrastructure in the Gulf.⁶² SOSCO further states "given that the GOM is sparsely populated, it is unlikely that numerous PCS providers could survive in the Gulf along with the cellular and SMR providers."⁶³

32. American Petroleum Institute ("API") proposed that the Commission grant the pending Petition for Rulemaking ("MDS Petition") filed by Gulf Coast MDS Service Company ("Gulf Coast") requesting that the Commission license Multipoint Distribution Service spectrum ("MDS") in the Gulf.⁶⁴ In PetroCom's view, the MDS Petition is premature. Neither Gulf Coast in its Petition nor API in its comments provide any evidence that there is a need for MDS in the Gulf at this time. Equally important, they provide no evidence that equipment exists that would operate in the Gulf on MDS spectrum. Licensing of MDS in the Gulf should wait until there is definitive, positive evidence on these two issues.

33. PetroCom strongly disagrees with SOSCO's contention that, with the exception of broadband PCS, the Commission should license all CMRS spectrum that is available in the rest of the United States. The Gulf, with its vast expanse of water, small

⁶² See SOSCO comments, p. 7.

⁶³ SOSCOO comments, p. 8.

⁶⁴ API comments, pp. 8-9.

population and limited universe of subscribers, does not resemble the rest of the United States. Critical decisions such as what spectrum to license in the Gulf, should be made by taking into account the unique characteristics of the Gulf market. The Commission recognized this when it requested that proposals for the licensing of additional services in the Gulf include an analysis of demand for such service.⁶⁵ PetroCom was the only commenter to respond to this request, submitting a report from a well respected economist, Larry Darby, of Darby & Associates ("Darby Report").⁶⁶ The Darby Report concluded "that currently licensed and duly authorized capacity, including incumbent suppliers in the GMSA and firms that are licensed to provide service there, is likely to be sufficient to meet reasonably anticipated growth in demand at rates and with service quality dimensions that reflect an effectively competitive marketplace."⁶⁷ Further, the Darby Report expressed concern that "there is some risk that granting additional licenses to serve the market will actually reduce the expected economic performance of the wireless market in the GMSA."⁶⁸

34. Applying the conclusions of the Darby Report, PetroCom

⁶⁵ See Second FNPRM at ¶63.

⁶⁶ See Attachment B to PetroCom's initial comments.

⁶⁷ Attachment B to PetroCom comments, Darby Report at 2.

⁶⁸ Id. at 3.

agrees with the majority of the commenters that wide area SMR and broadband PCS should not be licensed in the Gulf at this time.⁶⁹

35. PetroCom agrees with the basic premise of PageNet's argument that there is potential for interference between land and water based SMR licensees. It is for this reason that PetroCom filed its Petition for Rulemaking to amend the co-channel separation distances for SMR stations licensed to operate in or near the Gulf.⁷⁰ PetroCom believes that the adoption of its proposed rules will minimize interference issues between land and water based SMR licensees.

IV. Conclusion

After reviewing the comments filed in these proceedings, PetroCom comes away convinced that its proposals are the only ones that comprehensively address the three goals set by the Commission. Adoption of proposals suggested by the land-based carriers may further the goal of quality service, but reduces the

⁶⁹ PageNet argues that if the Commission licenses SMR in the Gulf, then such operations should be secondary to land-based operation, not cause interference to land-based operations and afford full co-channel protection to land-based licensees operating in Coastal waters. PageNet comments, p. 1. PetroCom agrees with PageNet that the demand for SMR in the Gulf is limited at this time. However, while PageNet's suggestions may make sense with respect to 900 MHz SMR, for which PageNet is a licensee, these suggestions are not applicable to 800 MHz licensees in the Gulf. Existing licensees, should be afforded the same incumbent protection afforded to land-based incumbent licensees, including protection for contours extending onto land. These licensees provide important communications systems to oil platforms and should not have to make their operations secondary to land-based licensees. Further, PetroCom has proposed rules to prevent interference between licensees operating in or near the Gulf.

⁷⁰ See PetroCom comments at Attachment C.

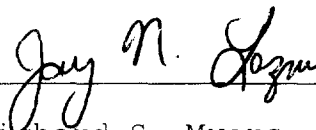
regulatory flexibility to water-based carriers and is unlikely to reduce the conflicts between land and water based carriers. Accordingly, PetroCom respectfully requests that the Commission adopt the rules proposed by PetroCom in its comments.

With respect to the provision of new services in the Gulf, the consensus of the commenters is that no new spectrum should be licensed in the Gulf at this time. This conclusion is confirmed by the Darby Report, the only demand study submitted by any commenter in these proceedings, and should be adopted by the Commission.

Respectfully submitted,

PETROLEUM COMMUNICATIONS, INC.

By:

A handwritten signature in cursive script, appearing to read "Jay N. Lazrus", is written over a horizontal line.

Richard S. Myers

Jay N. Lazrus

Its Attorneys

Myers Keller Communications Law Group

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August 4, 1997

ATTACHMENT A: Declaration of James J. Keller

I, James J. Keller, declare under penalty of perjury as follows.

1. I am a consulting engineer for Petroleum Communications, Inc. ("PetroCom"), one of the cellular licensees authorized to serve the Gulf of Mexico Service Area ("GMSA"). I have prepared this Declaration in support of PetroCom's position in the FCC's rulemaking proceeding regarding amendments to its cellular licensing rules for the GMSA (WT Docket No. 97-112; CC Docket No. 90-6).

2. Based on an extensive review of the FCC's current licensing rules for the GMSA, I have concluded that a main source of conflict between GMSA licensees and cellular carriers licensed for land-based markets adjacent to the Gulf lies in the method by which these two types of carriers are permitted to calculate signal contours that are within 35 miles of the coast line. It has been shown through alternative propagation filings and drive test data filed at the FCC by the land-based carriers that, with sites within 35 miles of the coast line, their coverage is similar to a Gulf carrier's coverage over water. In 1992, the FCC adopted a special formula in Section 22.911(a)(2) to permit GMSA licensees to calculate contours based on the characteristics of signal propagation over water, which predicts a contour where the receive signal averages 28 dBu. Land-based carriers in markets adjacent to the GMSA, however, are allowed to use the standard SAB formula (equivalent to 32 dBu) under Section 22.911(a)(1) even for signal contours that extend over water. Thus land-based carriers have at least a sizeable 4 dB advantage over the GMSA licensees at the service boundaries of their markets and capture traffic within the Gulf carrier's CGSA.

3. PetroCom has proposed a hybrid propagation formula that treats contours extensions in the Gulf area equally, regardless of whether they are generated by a land-based or Gulf carrier. The hybrid propagation formula would not be complex or difficult for a land-based carrier to use. Described below are the steps a land-based carrier would follow to use the hybrid formula:

- A. For sites within 35 miles of the GMSA coast line (as defined by the FCC's rules), calculate a Service Area Boundary (SAB) contour using the formula contained in Section 22.911(a)(2) of the FCC's rules and the associated procedures (See example at Exhibit 1).
- B. Calculate the same SAB contour using the formula contained in Section 22.911(a)(1) and the associated procedures (See example at Exhibit 1).
- C. The SAB contours would be composed of: (i) that portion of the Section 22.911(a)(2) contour extending past the GMSA coast line; and (ii) that portion of the Section 22.911(a)(1) contour for all other areas (See example at

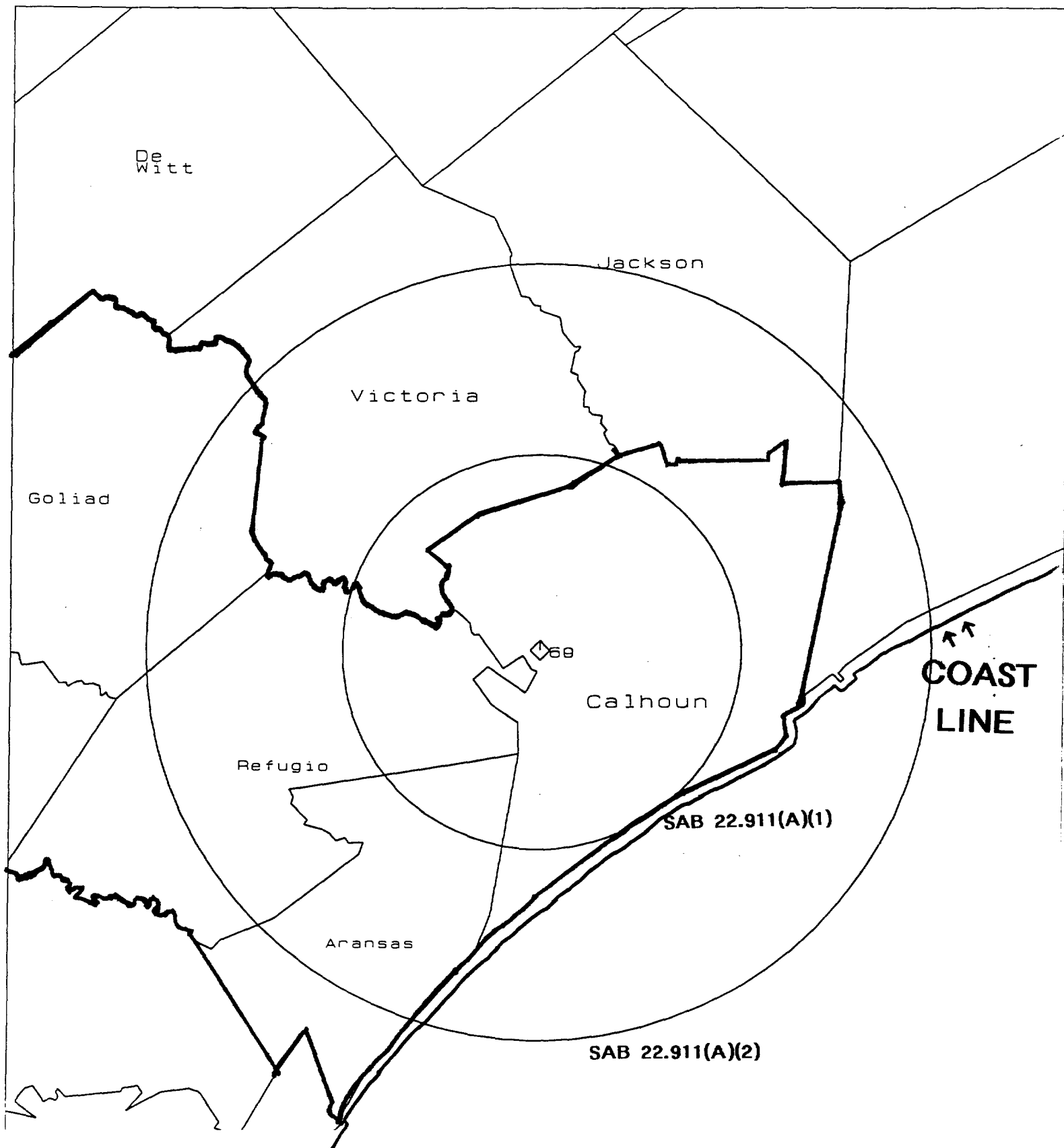
Exhibits 2-3).

- D. SAB extensions beyond the coast line into the CGSA of a Gulf carrier would require the consent of the Gulf carrier. (See shaded area in Exhibit 4 for example).

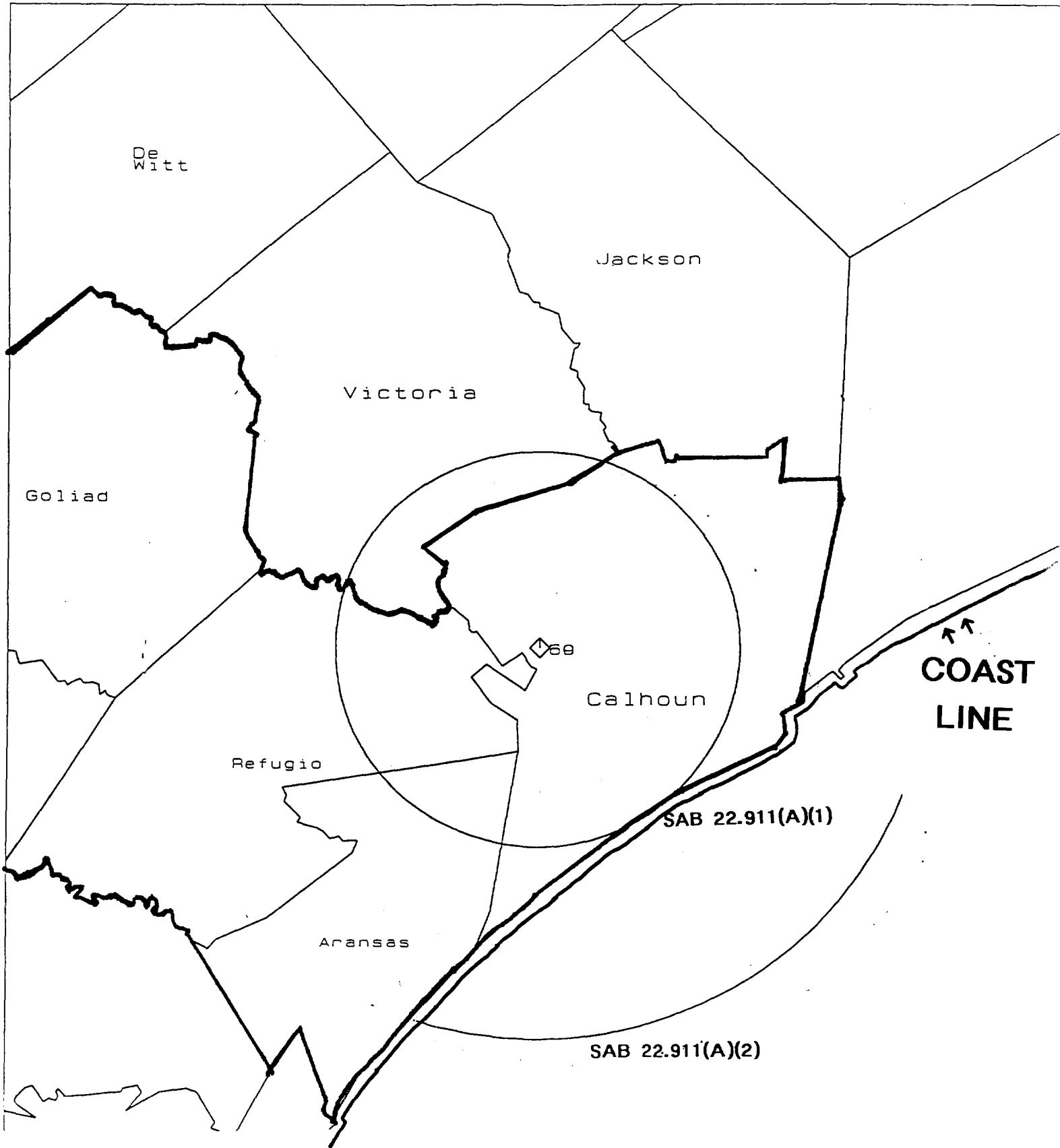
4. This hybrid propagation formula will eliminate the problem of land-based carriers capturing the traffic of Gulf carrier subscribers under the current rules that give the land-based carriers a 4 dB signal strength advantage at market boundaries.

Date: 8/4/97

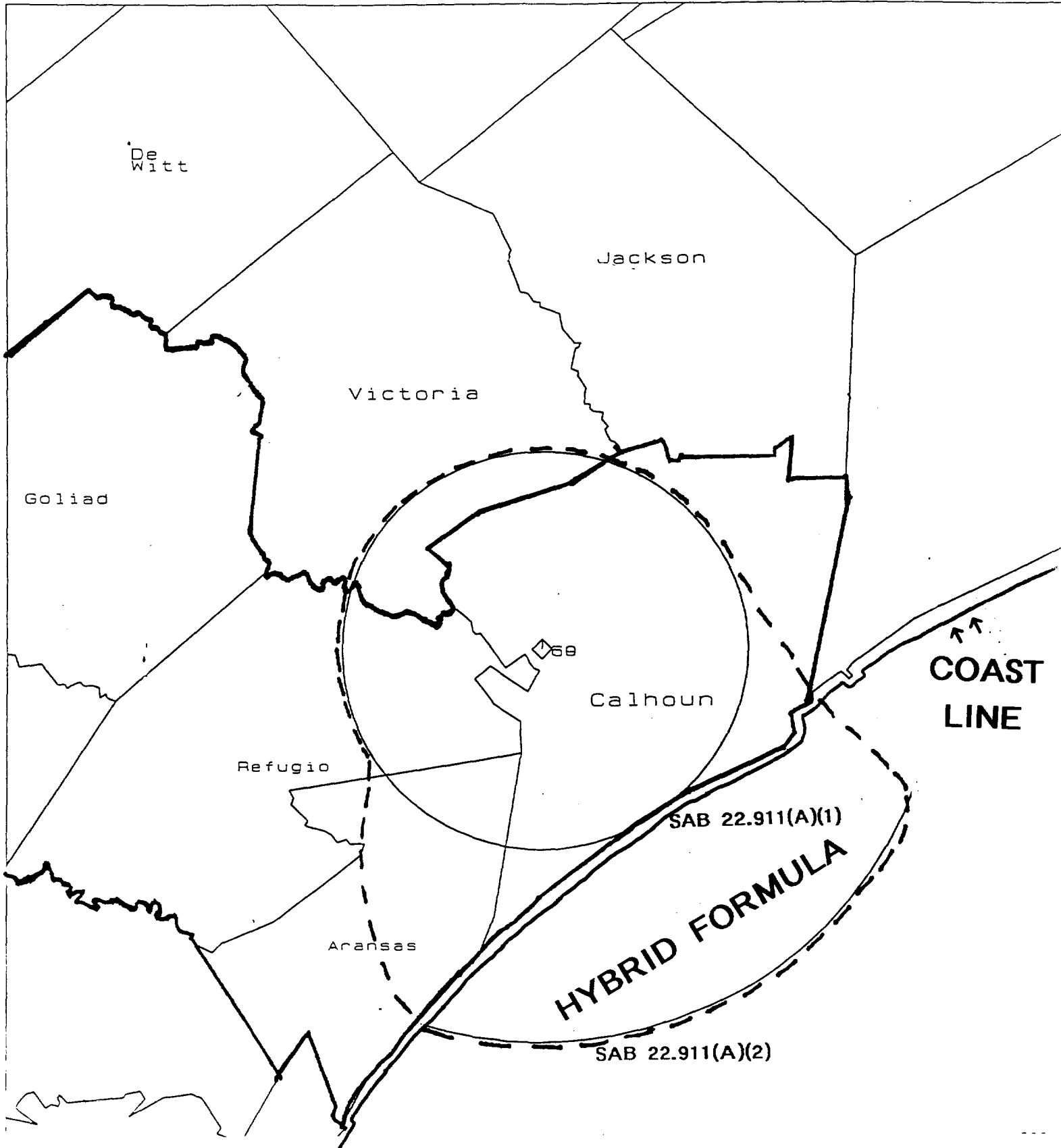

James J. Keller, Consulting Engineer



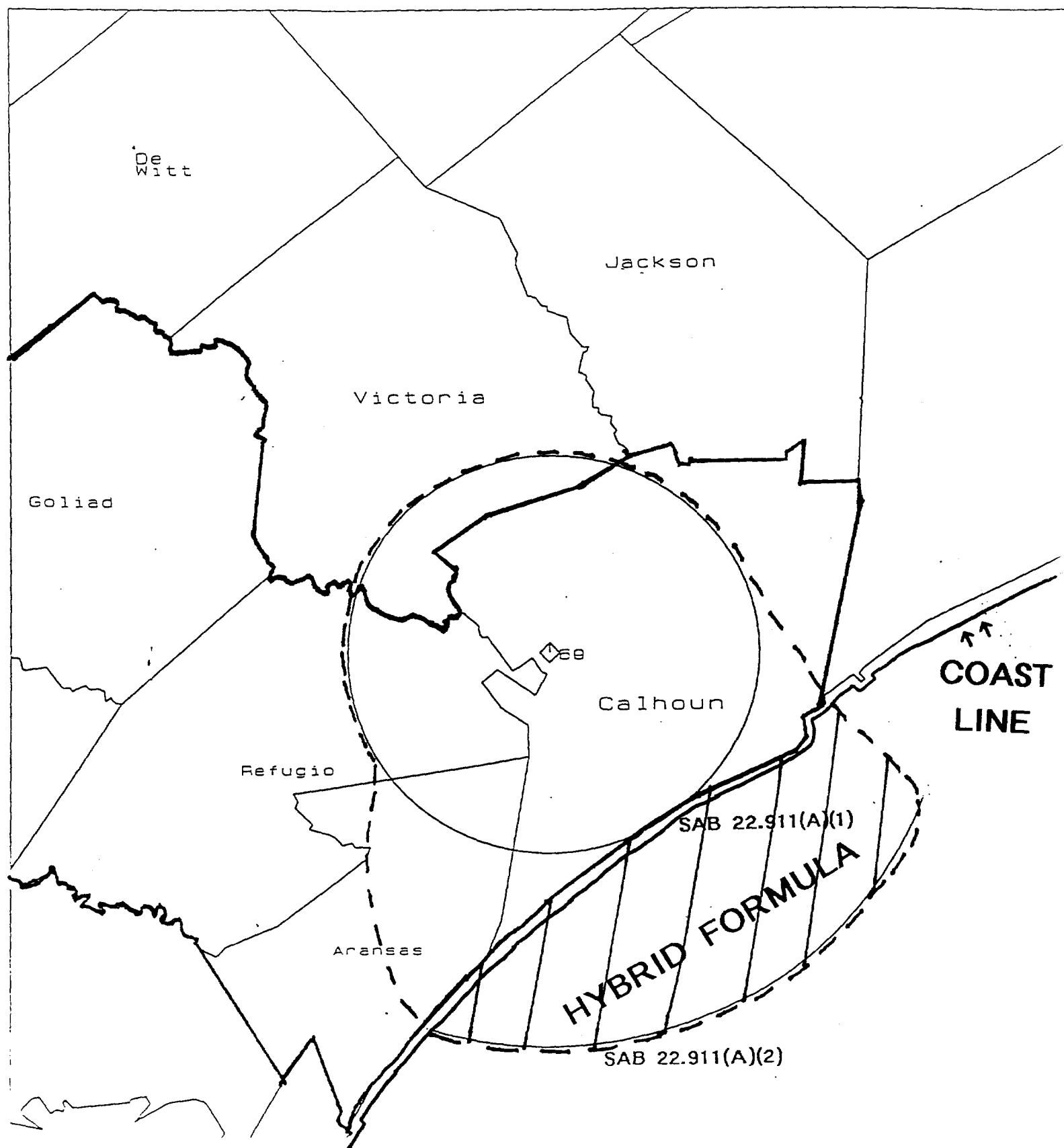
COAST LINE NOT TO SCALE



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CERTIFICATE OF SERVICE

I, Katrina Blackwell, an employee in Myers Keller Communications Law Group, do hereby certify that on the 4th August, 1997, a copy of the foregoing "COMMENTS OF PETROLEUM COMMUNICATIONS, INC." was hand delivered to the following:

Mr. William Caton, Acting
Secretary
Federal Communications
Commission
1919 M Street, N.W.
Rm.222
Washington, DC 20554

I, Katrina Blackwell, an employee in Myers Keller Communications Law Group, do hereby certify that on the 4th August, 1997, a copy of the foregoing "COMMENTS OF PETROLEUM COMMUNICATIONS, INC." was mailed by First Class U.S. Mail, postage prepaid to the following:

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